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SUBJECT: COUNCIL OF MINISTERS SG ALI ALA'AQ DISCUSSES JOINT ANTI-CORRUPTION COUNCIL (JACC), ARTICLE 136B, IHEC FUNDING, AND THE ELECTIONS LAW

REF: BAGHDAD 1084

Classified By: Economic Minister Counselor Charles P. Ries for reasons 1.4(b) and (d)

¶1. (C) Summary: In a meeting held on Monday, April 14, at the Council of Minister's Secretariat (COMSEC), EMIN introduced the Council of Ministers Secretary-General Ali Ala'aq to incoming Anti-Corruption Coordinator Ambassador Lawrence Benedict. During the meeting, Ala'aq, EMIN, and Ambassador Benedict discussed several issues, including Ala'aq's role as head of the Joint Anti-Corruption Council (JACC), as well as the JACC's activities to date. The three also discussed Article 136B of the Iraqi Criminal Procedure Code and the COM's role in preventing the abuse of this provision. Ala'aq also informed EMIN that the COM had directed the Ministry of Finance to release \$100 million to the Independent High Electoral Commission (IHEC) and provided a letter by which this was done. He also told EMIN that the Elections Law, which was approved in a COM special session held yesterday, is being reviewed by the COM's Legal Staff and will be submitted to the COR later this week. Before concluding the meeting, EMIN and Ala'aq discussed the continued delay of Ahmed Ridha's nomination to lead up the Investment Board, with EMIN stressing the need for this nomination to move forward if Iraq is to attract foreign investment and ensure investor confidence in the GOI. End Summary.

¶2. (C) In a cordial meeting held at the COMSEC on Monday, April 13, EMIN introduced COM SG Ali Ala'aq to the incoming Anti-Corruption Coordinator, Ambassador Benedict. In response to Ambassador Benedict's query about Ala'aq's role as head of the JACC, the SG gave a brief summation of the organization's role and activities to date. Ala'aq commented that the JACC was primarily established "to coordinate the activities of the 3 to 4 pillars related to this issue," which include the Board of Supreme Audit (BSA), the Commission on Public Integrity (CPI), and the GOI's squadron of Inspectors General (IG), as well as the CORs Integrity Commission. Continuing his brief, Ala'aq stated that through weekly meetings and consultations, the JACC has worked with other relevant bodies to develop strategies for fighting corruption. He added that the JACC has kept the COR's Integrity Commission apprised of their work, and he believes that in the next two weeks the JACC will present the COM with drafts of the laws that will govern the first three of the aforementioned bodies involved in anti-corruption activities. Once passed by the COM, they will be sent to the COR. In addition to these activities, Ala'aq mentioned that the JACC is also trying to prioritize thousands of corruption cases that have been languishing at the CPI for the last few years, noting that the JACC has consulted with the BSA, CPI, and IGs about the appropriate way to pursue these cases. He indicated that the first priority will be the big cases involving ministries, singling out the Ministries of Oil and Health as examples that warrant special attention.

¶13. (C) After giving Ala'aq a transcript of the previous night's 60 Minutes segment on corruption in Iraq, Ambassador Benedict posited that Iraqi corruption has become a big issue among U.S. lawmakers, and that the implied immunity afforded under Article 136B of the Iraqi Criminal Procedure Code, under which no governmental corruption case can be instituted against an Iraqi minister, former minister, or their subordinates without the minister's permission, is viewed with particular concern. Ala'aq replied that this is no longer an issue, because the PM has ordered that all requests to invoke 136B must be reviewed by his office, which will determine whether the use of 136B is warranted in anti-corruption cases. Under this mechanism, ministers have to justify why the case should not proceed, and they need to have compelling reasons. He added that contrary to the perception that 136B has been widely abused by GOI ministers, in reality only 4 or 5 cases have been presented to the PM for review, and all involved petty charges.

¶14. (C) Shifting the conversation to the IHEC budget, EMIN stated that though the first \$100 million installment of the \$400 million IHEC budget had been approved, IHEC has yet to receive any funds. EMIN noted that this money will be used for voter registration activities, and it needs to be transferred as soon as possible so that IHEC can begin its voter registration program. EMIN also said that the Minister of Finance has not received anything from the COM authorizing this disbursement, and that UNAMI is not happy with the situation. Expressing surprise, Ala'aq countered that the COM has authorized the MinFin to transfer these funds, and produced a copy of the letter authorizing this allotment. Ala'aq also noted that the Elections Law, which was recently passed in a special session of the COM held Sunday, April 13,

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will be transferred to the COR later this week after it is reviewed by the COM's Legal Department.

¶15. (C) When asked by EMIN about Ahmed Ridha, who has been nominated to head up the Investment Board, Ala'aq expressed one of his usual grievances, implying that the COR continues to hold up nominations for political reasons and hinted that Ridha's nomination had become a victim of political horse-trading within the COR. EMIN stressed the importance of this appointment, particularly in attracting foreign investment and insuring investor confidence in Iraq and the GOI, and also reminded Ala'aq of the upcoming investment conference which will be held next month in Cairo. Replying to EMIN, Ala'aq said that Ridha was still reporting to work everyday and performing all of his duties as chairman of the Investment Board. Attempting to assuage EMIN's concerns about this nomination, Ala'aq said that he, too, was still waiting for his nomination to go through, even though he had been in his current position for two years. Commenting that the political situation appeared to be getting better, Ala'aq opined that perhaps this will lead to nominations moving forward in the COR. EMIN concurred, remarking that he had recently seen Nechirvan Barzani and Tariq Hashemi, and they, too, seemed optimistic about the political situation. Before concluding the meeting, EMIN also noted that the Kurds have spoken with the Minister of Oil, Hussein Shahristani, about a potential compromise that may allow the Hydrocarbons Law to move forward.

¶16. Comment. It was not clear if Ala'aq was referring to the infamous April 1, 2007 order signed by Tariq Abdullah, the PM's Chief of Staff, or yet another order from the PM's office affecting corruption cases. If it is the same April 1 order, this explanation of its purpose and uses differs significantly from that given to EMIN and ACC by DPM Barham Salih (see septel). It is also difficult to read into the April 1 order the purpose that Ali Ala'aq described. Undoubtedly, other explanations/interpretations will emerge in ACC's future meetings with GOI officials. End comment.

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